Southwestern Public Service Company Year End 1989

Schedule 4

$$\text{Administrative Expense} = \frac{\text{Total Administrative and General Expenses}}{\text{Gross Plant Investment (Electric Plant)} - \text{Depreciation Reserve (Electric Plant)} - \text{Accumulated Deferred Income Taxes (Electric Plant)}}$$

$$3.08\% = \frac{35,960,497}{1,947,101,352 - 567,979,550 - 210,345,983}$$

Southwester Public Service Company Year End 1989

Schedule 5

Normalized Taxes (Expressed As a Percentage of Net Plant Investment) = $\frac{\text{A/C (408.1 + 409.1 + 409.1 + 410.1 + 411.4) - 411.1}}{\text{Gross Plant - Depreciation Reserve (Total)(5) - Deferred Income Taxes}}$

A/C 408.1	25,503,075
409.1 (Federal)	42,545,831
409.1 (Other)	1,626,747
410.1	26,579,921
411.1 Credit	(15,029,240)
411.4 Credit	(612,369)
Total Taxes	80,613,965

(5) For companies which have multiple operations, such as gas, electric and/or nuclear power, the Commission, in calculating the administrative expenses component, utilizes only the investment relating to electric operations. However, in the computation of the taxes component, the total gross plant investment of all of the company's operations is utilized. The taxes paid by the utility generally relate to its entire operations.

$$6.90\% = \frac{80,613,965}{1,947,101,352 - 567,979,550 - 210,345,983}$$

Southwestern Public Service Company Year End 1989

Schedule 6

Rate of Return = Overall Weighted Cost of Capital
= 11.70%

Southwestern Public Service Company Year End 1989

Schedule 7

ACCOUNT NO.	NAME	LOCATION (FERC)
FERC 364	Poles, Towers & Fixtures	p. 207, line 59, col. g
FERC 365	Overhead Conductors	p. 207, line 60, col. g
FERC 369	Services	p. 207, line 64, col. g
FERC 360-373	Distribution Plant	p. 207, line 69, col. g
FERC 593	Maintenance of Overhead Lines	p. 322, line 118, col. b
FERC 408.1	Taxes Other than Income Taxes	p. 114, line 11, col. c
FERC 409.1	Income Taxes - Federal	p. 114, line 12, col. c
FERC 409.1	Income Taxes - Other	p. 114, line 13, col. c
FERC 410.1	Deferred Income Taxes	p. 114, line 14, col. c
FERC 411.1	Deferred Income Taxes (credit)	p. 114, line 15, col. c
FERC 411.4	Investment Tax Credit Adj.	p. 114, line 16, col. c
FERC 281-283	Accumulated Deferred Taxes	p. 113, line 52, col. d SPS, 10/4/90, page 3
FERC 920-935	Total Administrative and General Expenses	p. 323, line 167, col. b
	Gross Plant Investment	p. 200, line 13, col. b
	Gross Electric Plant in Service	p. 200, line 8, col. c
	Accumulated Depreciation for Plant	p. 200, line 14, col b.
	Accumulated Depreciation for Electric Plant in Service	p. 200, line 22, col. c SPS, 10/4/90, page 4
	Accumulated Depreciation for Distribution Plant	p. 219, line 24, col. c
	Depreciation Rate for Account 364	p. 337a, line 49, col. e
NO FERC	Number of Poles	SPS, 10/4/90 page 2, Item 2
FERC 360	Land and Land Rights	p. 207, line 55, col. g

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (CONTINUED)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
46	DEFERRED CREDITS			
47	Customer Advances for Construction (252)		1,059,934	876,253
48	Accumulated Deferred Investment Tax Credits (255)	266-267	21,474,146	7,472,058
49	Deferred Gains from Disposition of Utility Plant (256)			
50	Other Deferred Credits (253)	269	1,228,828	1,476,462
51	Unamortized Gain on Reacquired Debt (257)			
52	Accumulated Deferred Income Taxes (281-283)	272-277	214,228,525	223,687,777
53	TOTAL Deferred Credits (Enter Total of lines 47 thru 52)		237,974,633	233,512,550
54				
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67	TOTAL Liabilities and Other Credits (Enter Total of lines 14,22,38 45 and 53)		$1,655,578,886	$1,674,594,491

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 01 thru 20 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2
4. Use page 122 for important notes regarding the statement of income or any account thereof.
5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account (a)	Ref. Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	$821,527,646	$785,522,883
3	Operating Expenses			
4	Operation Expenses (401)	320-323	589,838,308	478,451,345
5	Maintenance Expenses (402)	320-323	22,123,658	22,346,638
6	Depreciation Expense (403)	336-338	55,572,058	54,358,417
7	Amort. & Depl. of Utility Plant (404-405)	336-338	495,686	488,595
8	Amort. of Utility Plant Acq. Adj. (406)	336-338		
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Taxes Other Than Income Taxes (408.1)	262-263	25,583,875	31,784,357
12	Income Taxes - Federal (409.1)	262-263	42,545,831	39,416,685
13	- Other (409.1)	262-263	1,626,747	1,627,173
14	Provision for Deferred Income Taxes (410.1)*	234,272-277	26,579,921	31,239,832
15	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	234,272-277	15,829,248	16,225,789
16	Investment Tax Credit Adj. - Net (411.4)	266	-612,369	-793,737
17	(Less) Gains from Disp. of Utility Plant (411.6)			
18	Losses from Disp. of Utility Plant (411.7)			
19	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 18)		668,643,667	634,685,426
20	Net Utility Operating Income (Enter Total of line 2 less 19) (Carry forward to page 117, line 21)		$152,883,979	$150,836,657

* $248,123 of amount debited to account 410.1 was credited to account 234 - Accounts Payable to Associated Companies.

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Line No.	Item (a)	Total (b)	Electric (c)
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified)	1,947,181,352	1,947,181,352
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	TOTAL (Enter Total of lines 3 thru 7)	1,947,181,352	1,947,181,352
9	Leased to Others		
10	Held for Future Use	4,729,588	4,729,588
11	Construction Work in Progress	25,868,447	25,868,447
12	Acquisition Adjustments	22,198	22,198
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	1,977,713,569	1,977,713,569
14	Accum. Prov. for Depr., Amort., & Depl.	574,148,687	574,148,687
15	Net Utility Plant (Enter total of line 13 less 14)	1,403,564,962	1,403,564,962
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
17	In Service:		
18	Depreciation	574,144,580	574,144,580
19	Amort. and Depl. of Producing Nat. Gas Land and Land Rights		
20	Amort. of Underground Storage Land and Land Rights		
21	Amort. of Other Utility Plant		
22	TOTAL in Service (Enter Total of lines 18 thru 21)	574,144,580	574,144,580
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization	4,027	4,027
30	TOTAL Held for Future Use (Ent. Tot. of lines 28 and 29)	4,027	4,027
31	Abandonment of Leases (Natural Gas)		
32	Amort. of Plant Acquisition Adj.		
33	TOTAL Accumulated Provisions (Should agree with line 14 above)(Enter Total of lines 22, 26, 30, 31, and 32)	574,148,607	574,148,607

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			$60.172	(346)	40
$1.100.945			15.904.444		41
-2.247.209		$-107.124	1.154.220.021		42
					43
-3.227			15.594.254	(350)	44
-4.592			1.315.947	(352)	45
-2.899.159		-20.643	127.976.149	(353)	46
			2.003.692	(354)	47
-770.294			90.617.434	(355)	48
-409.465			62.302.250	(356)	49
			255.001	(357)	50
			339.193	(350)	51
				(359)	52
-4.006.737		-20.643	300.404.000		53
					54
-920			2.326.207	(360)	55
			209.023	(361)	56
-1.725.556		52.964	50.493.152	(362)	57
			.	(363)	50
-901.396		4.460	77.944.347	(364)	59
-751.326		5.700	60.017.027	(365)	60
-64.463			11.396.430	(366)	61
-109.743			14.296.202	(367)	62
-1.411.300		-5.213	77.595.033	(360)	63
-150.612			26.900.320	(369)	64
-197.099		-4.503	35.175.056	(370)	65
-290.401			6.915.530	(371)	66
				(372)	67
-05.300			11.040.045	(373)	60
-5.697.004		53.400	390.310.700		69
					70
-0.392			1.973.952	(300)	71
-247.363		934	37.129.330	(390)	72
-3.192.553		201.359	0.539.961	(391)	73
-3.910.760		22.430	17.541.707	(392)	74
-2.456			606.712	(393)	75
-23.519		213	2.153.002	(394)	76
-12.905		41.456	4.114.945	(395)	77
-501		-30.403	2.923.200	(396)	70
-75.405		-49.040	23.247.305	(397)	79
-5.033		-23.702	510.770	(390)	00
-7.407.055		162.359	90.020.900		01
				(399)	02
-7.407.055		162.359	90.020.900		03
-19.510.005			1.947.101.352		04
				(102)	05
					06
				(103)	07
$-19.510.005			$1.947.101.352		08

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 204-207, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1.	Balance Beginning of Year	528,478,141	528,478,141		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	55,572,858	55,572,858		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	1,173,448	1,173,448		
6.	Other Clearing Accounts	437,179	437,179		
7.	Other Accounts (Specify):				
8.	Construction	392,736	392,736		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	57,575,413	57,575,413		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	19,498,766	19,498,766		
12.	Cost of Removal	4,112,551	4,112,551		
13.	Salvage (Credit)	-3,368,862	-3,368,862		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	20,243,255	20,243,255		
15.	Other Debit or Credit Items (Describe)				
16.	See *Note	2,169,251	2,169,251		
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	567,979,550	567,979,550		

Section B. Balances at End of Year According to Functional Classifications

18.	Steam Production	318,337,728	318,337,728		
19.	Nuclear Production				
20.	Hydraulic Production - Conventional				
21.	Hydraulic Production - Pumped Storage				
22.	Other Production	10,898,812	10,898,812		
23.	Transmission	88,332,387	88,332,387		
24.	Distribution	130,378,332	130,378,332		
25.	General	29,848,371	29,848,371		
26.	TOTAL (Enter Total of lines 18 thru 25)	567,979,550	567,979,550		

*Note: Reserve on transfers $ 386
Reserve on purchase of used property 32,834
Termination of capital lease 2,136,111
$ 2,169,251

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
103	3. DISTRIBUTION EXPENSES (Continued)		
104	(581) Load Dispatching	239.597	234.933
105	(582) Station Expenses	671.728	613.182
106	(583) Overhead Line Expenses	1.568.482	1.475.884
107	(584) Underground Line Expenses	213.813	205.155
108	(585) Street Lighting and Signal System Expenses	152.353	132.227
109	(586) Meter Expenses	2.761.961	2.678.448
110	(587) Customer Installation Expenses	634.488	683.455
111	(588) Miscellaneous Distribution Expenses	1.878.185	1.895.482
112	(589) Rents	267.138	270.489
113	TOTAL Operation (Enter Total of lines 102 thru 111)	8.873.877	8.738.336
114	Maintenance		
115	(590) Maintenance Supervision and Engineering	475.882	483.373
116	(591) Maintenance of Structures	123	2.378
117	(592) Maintenance of Station Equipment	966.582	948.857
118	(593) Maintenance of Overhead Lines	3.364.384	3.868.287
119	(594) Maintenance of Underground Lines	161.517	174.539
120	(595) Maintenance of Line Transformers	524.122	485.958
121	(596) Maintenance of Street Lighting and Signal Systems	488.489	369.918
122	(597) Maintenance of Meters	589.546	458.418
123	(598) Maintenance of Miscellaneous Distribution Plant	112.313	99.277
124	TOTAL Maintenance (Enter Total of lines 115 thru 123)	6.513.918	6.882.189
125	TOTAL Distribution Expenses (Enter Total of lines 113 and 124)	15.386.995	14.820.445
126	4. CUSTOMER ACCOUNTS EXPENSES		
127	Operation		
128	(901) Supervision	369.989	366.833
129	(902) Meter Reading Expenses	2.418.695	2.416.164
130	(903) Customer Records and Collection Expenses	8.081.127	7.886.317
131	(904) Uncollectible Accounts	924.528	459.846
132	(905) Miscellaneous Customer Accounts Expenses	188.725	283.531
133	TOTAL Customer Accounts Expenses (Enter Total of lines 128 thru 132)	11.894.984	11.251.891
134	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
135	Operation		
136	(907) Supervision	252.887	242.544
137	(908) Customer Assistance Expenses	2.253.784	2.834.573
138	(909) Informational and Instructional Expenses	1.439.526	1.137.338
139	(910) Miscellaneous Customer Service and Informational Expenses	175.980	180.689
140	TOTAL Cust. Service and Informational Expenses (Enter Total of lines 136 thru 139)	4.121.297	3.595.144
141	6. SALES EXPENSES		
142	Operation		
143	(911) Supervision	65.737	63.531
144	(912) Demonstrating and Selling Expenses	563.897	521.478
145	(913) Advertising Expenses	134.857	138.234
146	(916) Miscellaneous Sales Expenses	1.782.815	1.046.334
147	TOTAL Sales Expenses (Enter Total of lines 143 thru 146)	2.547.306	1.761.577
148	7. ADMINISTRATIVE AND GENERAL EXPENSES		
149	Operation		
150	(920) Administrative and General Salaries	11.821.998	10.368.697
151	(921) Office Supplies and Expenses	6.189.748	6.573.369
152	(Less) (922) Administrative Expenses Transferred-Credit		

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
153	7. ADMINISTRATIVE AND GENERAL EXPENSES		
154	(923) Outside Services Employed	2.866.753	2.346.238
155	(924) Property Insurance	2.212.288	3.475.715
156	(925) Injuries and Damages	1.718.725	1.494.464
157	(926) Employee Pensions and Benefits	6.989.982	5.261.928
158	(927) Franchise Requirements		
159	(928) Regulatory Commission Expenses	1.171.823	1.718.766
160	(Less) (929) Duplicate Charges-Cr.		
161	(930.1) General Advertising Expenses	192.199	84.945
162	(930.2) Miscellaneous General Expenses	2.348.786	2.831.819
163	(931) Rents	1.168.715	1.114.555
164	TOTAL Operation (Enter Total of lines 150 thru 163)	34.976.929	34.461.688
165	Maintenance		
166	(935) Maintenance of General Plant	983.568	900.762
167	TOTAL Administrative and General Expenses (Enter Total of lines 164 & 166)	35.960.497	35.362.442
168	TOTAL Electric Operation and Maintenance Expenses (Enter Total of lines 79, 99, 125, 133, 140, 147, and 167)	531.961.958	492.797.983

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

1. Payroll Period Ended (Date)	12-31-89
2. Total Regular Full-Time Employees	2,816
3. Total Part-Time and Temporary Employees	12
4. Total Employees	2,828

Southwestern Public Service Company | An Original | Dec. 31, 1989

Line No.	A/C No. (a)	Depr. Plt. Base (in thous.) (b)	Est. Avg. Ser. Life (c)	Net Sal. % (d)	Applied Depr. Rate(s) % (e)	Monthly Curve Type (f)	Avg. Rmn. Life (g)
1	Steam Production - Gas						
2	311	24 411	40	1.05	3.281	R3	20.1
3	312	82 228	40	1.05	3.281	R3	20.1
4	314	89 887	40	1.05	3.281	R3	20.1
5	315	11 681	40	1.05	3.281	R3	20.1
6	316	5 400	40	1.05	3.280	R3	20.1
7		213 607					
8							
9	Steam Production - Coal						
10	311	74 370	35	1.05	3.145	R3	29.7
11	312	550 064	35	1.05	3.145	R3	29.7
12	314	245 361	35	1.05	3.145	R3	29.7
13	315	35 733	35	1.05	3.145	R3	29.7
14	316	14 870	35	1.05	3.145	R3	29.7
15		920 398					
16							
17	Other Production						
18	341	781	25	1.00	9.212	R3	10.2
19	342	444	25	1.00	9.222	R3	10.2
20	343	1 050	25	1.00	9.222	R3	10.2
21	344	11 034	25	1.00	9.218	R3	10.2
22	345	1 415	25	1.00	9.218	R3	10.2
23	346	68	25	1.00	9.222	R3	10.2
24		14 792					
25							
26	Backbone Transmission						
27	352	1 129	45	1.05	2.225	R2	33.4
28	353	106 559	50	1.00	1.916	R3	38.4
29	354	1 669	75	1.00	1.287	R3	59.7
30	355	75 304	40	.90	2.166	R3	29.9
31	356	51 787	35	.85	2.277	R3	23.2
32	357	212	75	1.00	1.281	R3	58.4
33	358	283	45	.90	1.850	R3	29.1
34		236 943					
35							
36	Sub-Transmission						
37	352	226	45	1.05	2.229	R2	33.4
38	353	21 378	50	1.00	1.920	R3	38.4
39	354	335	75	1.00	1.289	R3	59.7
40	355	15 108	40	.90	2.225	R3	29.9
41	356	10 390	35	.85	2.329	R3	23.2
42	357	43	75	1.00	1.283	R3	58.4
43	358	57	45	.90	1.853	R3	29.1
44		47 537					
45							
46	Distribution						
47	361	209	60	1.05	1.690	R4	52.4
48	362	58 535	45	.95	1.922	R2	32.7
49	364	77 881	30	.95	2.846	R1	21.2
50	365	67 949	30	.95	2.816	R1	20.5
51	366	11 197	40	1.00	2.356	R4	32.1
52	367	14 415	30	.85	2.596	R3	22.4
53	368	77 759	45	.95	1.948	R1.5	34.0
54							
55							
56	continued...						

SOUTHWESTERN'S ANSWERS TO
COLE, RAYWID & BRAVERMAN
SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

RE: POLE ATTACHMENT AGREEMENT BETWEEN
TCA MANAGEMENT COMPANY AND SOUTHWESTERN PUBLIC SERVICE COMPANY

REQUESTS FOR DOCUMENT

*1. The most recently filed annual report to the FERC on Form 1.

ANSWER

See Attachment 1.

*2. The most recently filed annual report to the Public Utility Commission of Texas.

ANSWER

See Attachment 2.

3. The Texas PUC order establishing your current overall rate of return. Please indicate if this is subject to pending proceedings or court review.

ANSWER

See Attachment 3.

*4. If you have developed a cost of service study or other computation of pole attachment rates, please provide a copy of that rate development.

ANSWER

No studies have been done since July, 1989 discussions.

REQUEST FOR INFORMATION

1. Please state the investment in crossarms and other items which do not reflect the cost of owning and maintaining poles, if available.

ANSWER

As of August 31, 1989, $29,926,135.

*2. Please state the number of poles:

a. Solely owned by your company.

b. Partially owned by your company (indicate total poles).

c. Indicate the fractional interest as a percentage, and the resulting pole equivalents: e.g., 20,000 poles, 50% interest = 10,000 equivalents; 30,000 poles, 1/3 interest = 10,000 equivalents.

ANSWER

a. 394,962

b. None

c. N/A

3. Please state the components of annual carrying charges attributable to the cost of owning a pole as listed below. These charges should be expressed as a percentage of the net pole investment. For each of the following components of the annual investment. For each of the following components of the annual carrying charge, please specify the account or accounts of any publicly-filed report used in computing the carrying charge and provide sufficient calculations to verify the charge claimed.

a. Maintenance expenses.

b. Depreciation.

c. Taxes attributable to poles.

d. Administration and overhead allocable to poles.

*e. Rate base rate of return authorized by the appropriate regulatory agency. Please indicate if this is subject to pending proceedings or court review.

ANSWER

This data is total company data, as of 12-31-89, from FERC Form 1.

Description	Amount
GENERAL INFORMATION:	
Gross Pole Investment	$ 77,944,347
Distribution Plant	390,318,780
Accum. Depreciation - Poles	130,370,332
Alloc. Fact. = % Account 364/Dis. Plant	0.19969
Accum. Depreciation - Poles	26,034,183

ACCUM. DEF. INCOME TAX - POLES

- Account 281	0
- Account 282	214,934,892
- Account 283	8,752,885
- Account 190	(13,341,814)
	$ 210,345,963
Gross Plant	1,947,101,352
Alloc. Accum. Def./Gross Plant	0.108030
Accum. Def. Tax - Poles	8,420,352

a. MAINTENANCE EXPENSE

Maintenance of Overhead Lines	3,364,304
Investment in:	
Acct. 364 - Poles, Towers, Fixtures	77,944,347
Acct. 365 - Overhead Conductors	68,017,827
Acct. 369 - Services	26,900,328
TOTAL	$ 172,862,502
Allocation Factors (Acct./Dist. Plant)	
Acct. 364 - Poles, Towers, Fixtures	0.19969
Acct. 365 - Overhead Conductors	0.17426
Acct. 369 - Services	0.06892
Depreciation in:	
(Accum. Depr. Poles * Allocator)	
Acct. 364 - Poles, Towers, Fixtures	26,034,183
Acct. 365 - Overhead Conductors	22,718,627
Acct. 369 - Services	8,984,976
TOTAL	$ 57,737,785
Accum. Deferred Tax in:	
((Accum. Def. Inc. Tax * (Dist. Plant/Gross Plant) * Allocator)	
Acct. 364 - Poles, Towers, Fixtures	8,420,352
Acct. 365 - Overhead Conductors	7,347,987
Acct. 369 - Services	2,906,051
TOTAL	$ 18,674,390
Operation and Maintenance Expense	3.49%
(Maintenance of Overhead Lines/	
(Investment in Overhead lines -	
Accum. Depr. in - Accum. Def. Tax In))	

b. DEPRECIATION EXPENSE

Dep. Rate - Distribution	0.02846
Gross Pole Investment	77,944,347
Net Pole Investment (Gross Pole Invest. - Accum. Depr. Poles - Accum. Def. Tax Poles)	43,489,812
DEPRECIATION EXPENSE - DISTRIBUTION (Gross Pole Invest./(Net Pole Invest.) * Depr. Rate)	5.10%

c. NORMALIZED TAX EXPENSE

Acct. 408.1	Taxes Other Than Income	25,503,075
Acct. 409.1	Income Tax - Fed.	42,545,831
Acct. 409.1	Income Tax - Other	1,626,747
Acct. 410.1	Prov. for Deferred Tax	26,579,921
Acct. 411.4	ITC Credit Adjust.	(612,369)
Acct. 411.1	Prov. for Deferred Tax	(15,029,240)
TOTAL		$ 80,613,965
Normalized Tax Expense (Tax/Net Plant)		6.90%

d. ADMINISTRATIVE AND GENERAL EXPENSE

Admin. and General	35,960,497
Gross Plant	1,947,101,352
Accum. Depr. - Total Plant	567,979,550
Accum. Deferred Tax - Total Plant	210,345,963
TOTAL ADMIN. AND GEN. EXPENSE (Admin. and General/Net Plant)	3.08%

e. RETURN ON INVESTMENT 11.70%

4. Please state whether the rate of return established by the PSC for your company treats accumulated deferred taxes as a source of funds weighted into the overall rate of return.

ANSWER

Yes

5. Please state whether the Texas PSC establishes your residential service rates by deducting accumulated deferred taxes from rate base.

ANSWER

Yes

6. If the answer to question 5 is yes, please state your accumulated deferred taxes attributable to:

a. Total plant

b. Account 364

ANSWER

a. $210,345,963

b. $8,420,352

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
TCA MANAGEMENT CO.; TELESERVICE CORPORATION OF AMERICA; and TCA CABLE OF AMARILLO, INC.	)	
	)	
Complaintants,	)	
	)	
v.	)	File No. 90-002
	)	
SOUTHWESTERN PUBLIC SERVICE COMPANY,	)	
	)	
Respondent.	)	

TO: The Common Carrier Bureau

DECLARATION OF MELVIN R. JENSCHKE

My name is Melvin R. Jenschke. I am the Vice President of Engineering for TCA Cable TV, Inc., with overall responsibilities including outside plant and joint use arrangements for use of utility poles. I am an engineer and well versed in the National Electrical Safety Code (NESC).

I have reviewed the Affidavit of Harold D. Reed filed in this case.

Mr. Reed asserts that under the 1990 NESC, SPS would be authorized to place communications conductors at 16.5 feet above ground. His conclusion is that SPS is required to employ taller poles in order to accommodate cable attachments and the minimum vertical separation from communications conductors to the power

facilities, which are placed at the top of the pole. Mr. Reed is mistaken in his premise and conclusion.

Through the 1987 edition of the NESC, minimum clearance above ground was stated in absolute terms, such as 18' above roads for communications conductors. The 1990 NESC revised the method for computing required clearances, but it left those clearances largely unchanged. Mr. Reed has made a common mistake of looking only to Table 232-1, which used to contain the total of all clearance required. However, as explained in an Appendix to the Code, the 1990 version of this table specifies only the reference component of the clearance. Additional amounts must be added (the so-called mechanical and electrical components) under a "building block" approach to stating clearance requirements.

> Rules 232, 233, and 234 were revised based on a coordinated, uniform system of clearances developed under a building block approach. These components were considered to determine the total clearance require:
>
> - A reference component to cover activity in the area to be cleared by the overhead supply and/or communication lines. For example, truck height for over-the-road transport is limited to 14 feet by state regulation. Thus the reference component for roads in Table 232-2 is 14 feet. Reference components included in the required clearances are shown in Table A-2.
>
> - A mechanical component appropriate for the supply or communications line item. The mechanical component for open supply conductors is 2 feet (Table A-1).
>
> - An electrical component appropriate for the voltage involved. The electrical component

> for open supply conductors, over 750 V to 22 kV, is 2.5 feet (Table A-1).
>
> The required clearance is the sum of the three components: thus, 18.5 feet is required for open supply conductors, over 750 V to 22 kV, over roads (Table 232-1).

1990 NESC, p. 395.

As the Code now explains, it is only the appearance of clearance requirements which have changed -- not the actual clearance.

> While some clearance values in the new system may appear to be larger and some smaller, the net effective clearances for conductors and cables are, for most of the clearance values, essentially unchanged.

1990 NESC, p. 392.

There are additional reasons why power lines require tall poles. Clearance above ground increases under Rule 232B as voltage increases. In addition, power facilities must be "racked" vertically so that there are minimum vertical separations between conductors of various voltages. Mr. Reed cannot be serious if he is suggesting that SPS would set high power lines at 16.5 feet above ground.

It is because of these differing clearance requirements that power poles are typically taller than communications-only poles. An illustration is attached to this Affidavit.

There has been one change in the NESC which is material to joint use between communications and power. After the 1985 NESC was supplanted by the 1987 NESC, the minimum separation between power and communications was reduced to 30" (when properly grounded) from 40". This increases the amount of space available for power use, but SPS has elected not to follow the 30" rule.

Declared under penalty of perjury.

Melvin R Jenschke

Melvin R. Jenschke

December 19, 1990

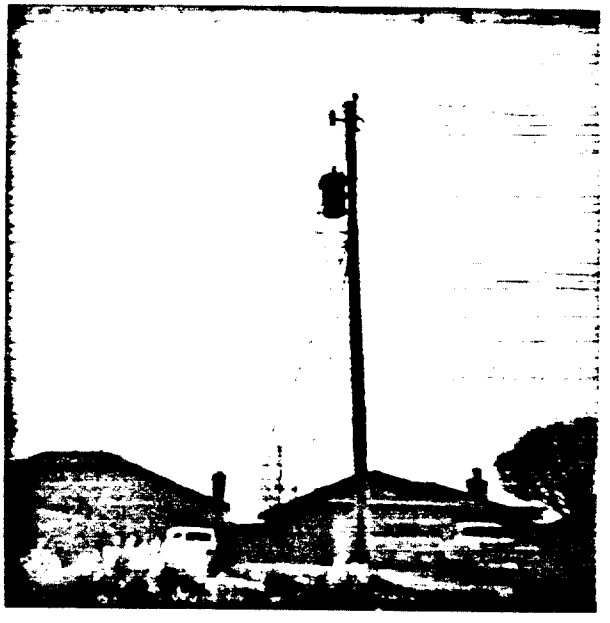
Behind TCA

PHOTOGRAPHS OF POLES
TAKEN DEC. 11, 1990
AMARAILLO, TEXAS

Note racking of power lines of various voltages (all lines other than lowest wire on pole). Typical pole is 40' for this configuration.

Mills Ave.

Communications only pole, with telephone (bottom) and cable (12" above). Typical pole is 30-35' for this configuration.



Only Power Attachments on these Poles. Note attachment height and size of pole unchanged even though no communications lines are on the pole.

ANSI C2-1990
(Revision of ANSI C2-1987)

American National Standard

National Electrical Safety Code

Secretariat
Institute of Electrical and Electronics Engineers, Inc

Approved June 26, 1989
American National Standards Institute

1990 Edition

must be resolved in a manner consistent with the prevailing limitations and conditions.

4. Where a governmental authority exercising jurisdiction over structure location has issued a permit for, or otherwise approved, specific locations for supporting structures, that permit or approval shall govern.

C. From Railroad Tracks

Where railroad tracks are parallel or crossed by overhead lines, all portions of the supporting structures, support arms, anchor guys, and equipment attached thereto less than 22 ft (6.7 m) above the nearest track rail shall be located not less than 12 ft (3.6 m) from the nearest track rail. See Rule 234I.

EXCEPTION 1: A clearance of not less than 7 ft (2.13 m) may be allowed where the supporting structure is not the controlling obstruction, provided sufficient space for a driveway is left where cars are loaded or unloaded.

EXCEPTION 2: Supports for overhead trolley contact conductors may be located as near their own track rail as conditions require. If very close, however, permanent screens on cars will be necessary to protect passengers.

EXCEPTION 3: Where necessary to provide safe operating conditions which require an uninterrupted view of signals, signs, etc along tracks, the parties concerned shall cooperate in locating structures to provide the necessary clearance.

EXCEPTION 4: At industrial sidings, a clearance of not less than 7 ft (2.13 m) shall be permitted, provided sufficient space is left where cars can be loaded or unloaded.

232. Vertical Clearances of Wires, Conductors, Cables, and Equipment Above Ground, Roadway, Rail, or Water Surfaces

A. Application

The vertical clearances specified in Rule 232B1 apply under the following conductor temperature and loading conditions, whichever produces the largest final sag.

1. 120 °F (50 °C), no wind displacement.
2. The maximum conductor temperature for which the line is designed to operate, if greater than 120 °F (50 °C), with no wind displacement.
3. 32 °F (0 °C), no wind displacement, with radial thickness of ice, if any, specified in Rule 250B for the loading district concerned.

EXCEPTION: The conductor temperature and loading condition for trolley and electrified railroad contact conductors shall be 60 °F (15 °C), no wind displacement, final unloaded sag, or initial unloaded sag in cases where these facilities are maintained approximately at initial unloaded sags.

NOTE: The phase and neutral conductors of a supply line are normally considered separately when determining the sag of each due to temperature rise.

B. Clearance of Wires, Conductors, Cables, and Equipment Mounted on Supporting Structures

1. Clearance to Wires, Conductors, and Cables
   The vertical clearance of wires, conductors, and cables above ground in generally accessible places, roadway, rail, or water surfaces, shall be not less than that shown in Table 232-1.
2. Clearance to Unguarded Rigid Live Parts of Equipment
   The vertical clearance above ground or roadway surfaces for unguarded rigid live parts such as potheads, transformer bushings, surge arresters, and short lengths of supply conductors connected thereto, which are not subject to variation in sag, shall be not less than that shown in Table 232-2.
3. Clearance to Equipment Cases
   The vertical clearance of equipment cases above ground or roadway surfaces shall be not less than that shown in Table 232-2.
4. Street and Area Lighting
   a. All exposed ungrounded conductive parts of luminaires and their supports that are not insulated from current-carrying parts shall be maintained at not less than 20 in (500 mm) from the surface of their supporting structure.

      EXCEPTION 1: This may be reduced to 5 in (125 mm) if located on the side of the structure opposite the designated climbing space.

      EXCEPTION 2: This does not apply where the equipment is located at the top or other vertical portion of the structure that is not subject to climbing.

   b. Insulators, as specified in Rule 279A, should be inserted at least 8 ft (2.45 m) from the ground in metallic suspension ropes or chains supporting lighting units of series circuits.